

RECORDATION NO. 21389 FILED

LAW OFFICES

ROSS & HARDIES

MAY 8 '98

10-29AM

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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SUSAN G. LICHTENFELD

May 7, 1998

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732-563-2700

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WASHINGTON, D.C. 20006-4103  
202-296-8600

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

MAY 8 10 29 AM '98

**VIA OVERNIGHT COURIER**

Mr. Vernon A. Williams  
Secretary  
Office of the Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 48 U.S.C. Section 11301(a) are two original executed copies and three photostatic copies of a Memorandum of Railcar Security Agreement, dated as of April 24, 1998, between Johnstown America Corporation ("JAC") and Consumers Energy Company ("Consumers"), a primary document as defined in the Commissioner's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed Memorandum of Railcar Security Agreement are:

Secured Party: Johnstown America Corporation  
17 Johns Street  
Johnstown, Pennsylvania 15901

Debtor: Consumers Energy Company  
212 West Michigan Avenue  
Jackson, Michigan 49201-2277

A description of the railroad equipment covered by the enclosed document is set forth in the Memorandum of Railcar Security Agreement.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Mr. Vernon A. Williams  
May 7, 1998  
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Kindly return one stamped original copy and three stamped photostatic copies of the enclosed document and the stamped photostatic copy of this letter to Susan G. Lichtenfeld at Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Document to be Recorded

Memorandum of Railcar Security Agreement, dated as of April 24, 1998 between Johnstown America Corporation, as Secured Party, and Consumers Energy Company, as Debtor.

Very truly yours,

  
Susan G. Lichtenfeld

SGL/vgc  
w/encl.

cc: Robert W. Kleinman  
Joseph A. McQuade

MAY 8 '98

10-29AM

MEMORANDUM OF RAILCAR SECURITY AGREEMENT

This Memorandum of Railcar Security Agreement is made and entered into as April 24, 1998, by and between JOHNSTOWN AMERICA CORPORATION (hereinafter referred to as "Secured Party") and CONSUMERS ENERGY COMPANY (hereinafter referred to as "Debtor").

Pursuant to the Railcar Manufacturing Agreement dated as of April 24, 1998 (the "Manufacturing Agreement") between Secured Party and Debtor, and subject to the terms and conditions therein set forth, Secured Party has agreed to manufacture and sell to Debtor, and Debtor has agreed to purchase from Secured Party, the railcars identified on Schedule A hereto (the "Railcars").

As security for the payment and fulfillment of its obligations to Secured Party under the Manufacturing Agreement pursuant to Section 5 of the Manufacturing Agreement, Debtor granted to Seller a security interest in the Railcars and the products, proceeds and accessions of and to any of the Railcars, together with all right, title and interest of Debtor therein and all rights and remedies which Debtor might exercise with respect thereto but for the execution of the Manufacturing Agreement.

As contemplated by the Manufacturing Agreement, Secured Party and Debtor hereby make this Memorandum of Railcar Security Agreement to confirm and perfect Secured Party's security interest in the Railcars. Secured Party and Debtor further acknowledge and confirm that this Memorandum of Railcar Security Agreement is not a summary of the Manufacturing Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Secured Party and Debtor agree that in the event of a conflict between this Memorandum of Railcar Security Agreement and the provisions of the Manufacturing Agreement, the provisions of the Manufacturing Agreement shall control.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Railcar Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

SECURED PARTY:

DEBTOR:

JOHNSTOWN AMERICA CORPORATION

CONSUMERS ENERGY COMPANY

By: Michael P. Sierra Jr.Name: MICHAEL P. SIERRA JR.Title: CONTRACT ADMINISTRATORBy: David W. JoosName: DAVID W. JOOSTitle: PRES. ELEC-ELECTRIC

NOTED  
0203

COMMONWEALTH OF PENNSYLVANIA )  
 )  
COUNTY OF CAMBRIA )

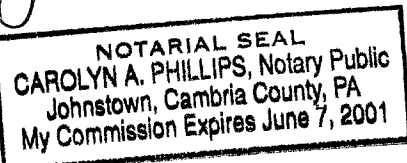
SS:

On this 5TH day of MAY 1998, before me personally appeared MICHAEL P. SIEKA JR., to me personally known, who being duly sworn, says that he is a ADMINISTRATOR of JOHNSTOWN AMERICA CORPORATION, a Delaware corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Carol Phillips  
Notary Public

[NOTARIAL SEAL]

My Commission Expires:



STATE OF MICHIGAN )  
COUNTY OF Tackson ) :SS

On this 4TH day of May, 1998, before me personally appeared David W. Joss, to me personally known, who being by me duly sworn, says that he is a President & CEO - Electric of CONSUMERS ENERGY COMPANY, a Michigan corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Margaret Hillman  
Notary Public

[NOTARIAL SEAL]

My Commission expires: 6-14-2000

SCHEDULE A  
TO MEMORANDUM OF RAILCAR SECURITY AGREEMENT

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442 Aluminum BethGon Coalporter Cars bearing road marks and numbers ESCX 6001 through ESCX 6442 (both inclusive).